

***GUIDELINES FOR  
GENERAL EQUIPMENT AND  
MATERIALS***

***GEAM Contract Type***

***Resource Contracts for  
Resource & Referral Agencies***

***April 1, 2002, through June 30, 2003***

**PROGRAM REQUIREMENTS  
GENERAL EQUIPMENT AND MATERIALS  
RESOURCE CONTRACTS FOR RESOURCE & REFERRAL AGENCIES**

The intent of this resource contract award is to allow Resource & Referral agencies to purchase equipment and/or materials for their library of resources. This equipment and/or materials must be made available to child development centers, family child care homes, and exempt providers to enhance the inclusion of children with disabilities.

The following program requirements are provided to assist the designated legal entity in meeting the legislative intent. Each contractor is required, as a condition of its contract with the California Department of Education (CDE), Child Development Division (CDD), to adhere to these requirements and California Code of Regulations, Title 5, pertaining to Child Development Programs, in addition to all other applicable laws, and regulations. Any variance from these requirements, the applicable Title 5 regulations, and laws could be considered a noncompliance issue and subject the contractor to possible termination of the contract.

This contract is funded through a special appropriation from the General Fund pursuant to Chapter 704, Statutes of 2000 (SB 1703 - Escutia).

**I. GENERAL PROVISIONS**

**A. National Labor Relations Board/Federal Court Order**

By signing this contract, the contractor swears under penalty of perjury that no more than one final unappealable finding of contempt of court has been issued by a federal court against the contractor within the last two (2) years because of failure to comply with a federal court order for compliance with an order of the National Labor Relations Board (Public Contract Code Section 10296). This provision does not apply to public entities.

**B. Notification of Address Change**

Contractors shall notify the CDD in writing of any change in mailing address for communication regarding the contract (administrative address) within ten (10) calendar days of the address change. For non-public agencies, the notification must be accompanied by (1) board minutes verifying the change in address, and (2) a copy of the notification to the Internal Revenue Service of the address change.

Contractors shall notify the CDD in writing of any proposed change in operating facility address(es) at least thirty (30) calendar days in advance of the change, unless such change is required by an emergency, such as fire, flood, or earthquake.

### C. Issuance and Use of Checks

Except for external payroll services, private contractors shall not use any pre-signed, pre-authorized, or pre-stamped checks without the prior written approval of the CDD.

Private contractors shall require two (2) authorized signatures on all checks unless: (1) the contractor has a policy approved by its governing board requiring dual signatures only on checks above a specified dollar amount; and (2) the annual audit verifies that appropriate internal controls are maintained.

### D. Prohibition Against Loans and Advances

Contractors shall not loan contract funds to individuals, corporations, organizations, public agencies, or private agencies. Contractors shall not advance unearned salary to employees. Contractors shall not make advance payments to subcontractors and shall compensate subcontractors after services are rendered or goods are received.

### E. Contractor's Termination for Convenience

#### 1. General Termination for Convenience

A contractor may terminate the contract for any reason during the contract term. The contractor shall notify the CDD of its intent to terminate the contract at least ninety (90) calendar days prior to the date the contractor intends to terminate the contract.

Within fifteen (15) days from the date the contractor notifies the CDD of its intent to terminate the contract, the contractor shall submit a current inventory of equipment purchased in whole or in part with contract funds.

Upon receipt of a notice of intent to terminate, the CDD will transfer the program to another agency as soon as practicable.

The State shall only be obligated to compensate the contractor for net reimbursable program costs in accordance with this contract through the date of termination. There shall be no other compensation to the contractor. The State shall offset any monies the contractor owes the State against any monies the State owes under this contract.

#### 2. Changes in Laws or Regulations

The CDD shall notify contractors in writing of changes in laws or regulations prior to the effective date or as soon as possible after enactment. If any laws or regulations are changed substantially during the contract period, the contractor shall have the option to discontinue performance and be relieved of all obligations for further performance.

The contractor has thirty (30) calendar days from receipt of notification of pending changes to notify the CDD in writing of the contractor's intent to terminate if the required changes are unacceptable to the contractor. The contract shall be deemed terminated sixty (60) calendar days after receipt of the notification of the intent to terminate.

F. Applicability of Corporations Code

Except for partnerships and sole proprietorships, private contractors shall be subject to all applicable sections of the Corporations Code, including standards of conduct and management of the organization.

G. Conflicts of Interest

For any transaction to which the contractor is a party and the other party is: (a) an officer or employee of the contractor or of an organization having financial interest in the contractor; or (b) a partner or controlling stockholder or an organization having a financial interest in the contractor; or (c) a family member of a person having a financial interest in the contractor, the transaction(s) shall be fair and reasonable, and conducted at arm's length.

Based on corporate law (Corporations Code Sections 310, 5233-5234, 7233 and 9243 as applicable) the general rules that would be followed to ensure that transactions are conducted "at arm's length" include: (1) prior to consummating the transaction, the governing body should authorize or approve the transaction in good faith and the board should require the interested party, or parties, to make full disclosure to the board both in writing and during the board meeting where the transaction is being discussed; and (2) all parties having a financial interest in the transaction should refrain from voting on the transaction and it should be so noted in the board minutes.

If the transaction involves the renting of property, either land or buildings, owned by affiliated organizations, officers, or other key personnel of the contractor or their families, the board of directors shall request the interested party to obtain a "fair market rental estimate" from an independent appraiser. Rental costs for equipment owned by affiliated organizations, officers, or other key personnel of the contractor or their families are allowable only as use or depreciation allowance.

H. Americans with Disabilities Act

By signing this contract, the contractor assures the CDE that it shall comply with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.), as well as all applicable federal and state laws and regulations, guidelines, and interpretations issued thereto.

I. Air or Water Pollution Violations (Government Code Section 4477)

By signing this agreement, the contractor swears under penalty of perjury that the contractor is not: (1) in violation of any order or resolution not subject to review promulgated by the

State Air Resources Board or an air pollution control district; (2) subject to a cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution. This provision does not apply to public agencies.

J. Recycled Paper Certification (Public Contract Code Section 10308.5/10354)

The contractor agrees to certify in writing to the CDE, under penalty of perjury, the minimum, if not exact, percentage of recycled content, both postconsumer material and secondary material as defined in Public Contract Code Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of the contract, regardless of whether the product meets the required recycled product percentage as defined in Sections 12161 and 12200. The contractor may certify that the product contains zero recycled content.

K. Child Support Compliance (Public Contract Code Section 7110)

By signing this agreement, the contractor acknowledges that (a) it recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement including, but not limited to, disclosure of information and compliance with earnings assignment orders as provided in Chapter 8 (commencing with Section 5200) of part 5 of Division 9 of the Family Code; and (b) to the best of its knowledge, it is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

L. Unlawful Denial of Services (Government Code Section 11135)

No person in the State of California shall, on the basis of ethnic group identification, religion, age, sex, color, or disability, be unlawfully denied the benefits of, or be unlawfully subjected to discrimination under, any program or activity that is funded directly by the state or receives any financial assistance from the state.

With respect to discrimination on the basis of disability, programs and activities subject to subdivision (a) shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof, except that if the laws of this state prescribe stronger protections and prohibitions, the programs and activities subject to subdivision (a) shall be subject to the stronger protections and prohibitions.

As used in this section, “disability” means any of the following with respect to an individual: (1) a physical or mental impairment that substantially limits one or more of the major life activities of the individual; (2) a record of an impairment as described in paragraph (1); or (3) being regarded as having an impairment as described in paragraph (1).

#### M. Computer Software Copyright Compliance

By signing this agreement, the contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this contract for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

#### N. Union Organizing and Activities

Contractor, by signing this agreement, hereby acknowledges the applicability to this agreement of Government Code Section 16645 through Section 16649.

1. Contractor will not assist, promote, or deter union organizing by employees performing work on a state service contract, including a public works contract.
2. No state funds received under this agreement will be used to assist, promote, or deter union organizing.
3. Contractor will not, for any business conducted under this agreement, use any state property to hold meetings with employees or supervisors if the purpose of such meetings is to assist, promote, or deter union organizing, unless the state property is equally available to the general public for holding meetings.
4. If the contractor incurs costs or makes expenditures to assist, promote, or deter union organizing, the contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs. The contractor shall provide these records to the Attorney General upon request.

Contractor hereby certifies that no request for reimbursement or payment under this agreement will seek reimbursement for costs incurred to assist, promote, or deter union organizing.

#### O. Equipment Inventory

Property records must be maintained that include a description of the equipment, serial number or other identification number, the source of the equipment, the acquisition date, the cost of the equipment, the location, use and condition of the equipment and any ultimate disposition date, including date of disposal and sale price if applicable. A physical inventory of equipment must be taken at least every two years and reconciled with property records. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft (any loss, damage, or theft must be investigated) and adequate maintenance procedures must be developed to keep the equipment in good condition.

## **II. RESOURCE AND REFERRAL AGENCY RESPONSIBILITIES**

### **A. Use of Funds**

These resource contract funds must be used for the benefit of children with disabilities ages birth to 21.

1. The resource contract funds may be used to:
  - a. Purchase equipment and/or materials that can be loaned to child development centers, family child care homes, or exempt providers to enhance the inclusion of children with disabilities. Attachment B provides examples of the types of equipment and/or materials that may be purchased with contract funds.
2. The funds may not be used to pay for:
  - a. The direct provision of child care services;
  - b. Construction of a facility to meet basic licensing requirements;
  - c. Purchase or improvement of land;
  - d. Lease or rent payments;
  - e. Salaries or benefit expense of providers; or
  - f. Subcontracts with other organizations to purchase the equipment and/or materials.

### **B. Reporting Requirements**

These resource grant funds are one-time-only funds that are available for expenditure after April 1, 2002, and prior to June 30, 2003. A report of expenditures is due to California Department of Education, Child Development Fiscal Services, upon expenditure of the funds and no later than July 20, 2003. The expenditure report must be made in the format provided (Form CDFS 9529). Please complete and submit this form directly to your assigned fiscal analyst at:

California Department of Education  
**Child Development Fiscal Services**  
P.O. Box 1317  
Sacramento, CA 95812-1317

### **C. Reimbursable Costs**

Reimbursable costs must be incurred during the contract period. Contractors shall not use current year contract funds to pay prior or future year obligations.

Contracts shall be reimbursed for travel and per diem expenses at rates not exceeding those amounts paid to the CDE's represented employees computed in accordance with State Department of Personnel Administration (DPA) regulations, Title 2, California Code of Regulation, Subchapter 1.

Nonreimbursable costs will be determined in accordance with the 2001-02/2002-03 Resource and Referral Funding Terms and Conditions, Section V.F., “Nonreimbursable Costs.”

If there are questions regarding the appropriateness of a proposed expenditure, please contact Marie L. Murata, Consultant, Policy, Program and Legislation Development Unit, at (916) 322-4269.